concerned Ministry, because the possibility of a tsunami in the Himalayas, although it may sound very strange, is also now within the reach of global warming.

SHRI KAPIL SIBAL: Sir, I thank the hon. Member for raising this issue. I can assure the hon. Member, not that I know of it, but I shall certainly sit with my officers and find out the authenticity of it, the feasibility of it and what we can do about it.

Creation of Special Economic Regions

*322. SHRIMATI AMBIKA SONI:†
DR. T. SUBBARAMI REDDY:

Will the PRIME MINISTER be pleased to state:

(a) whether Planning Commission has proposed the creation of Special Economic Regions in the country;

(b) if so, whether Planning Commission has sent a note to Ministry of Commerce to consider creation of five or six very large Special Economic Regions instead of the SEZs;

(c) whether proposed Economic Regions would be set up with world-class infrastructure and would not be meant for experts only;

(d) whether Government have considered the suggestions made by the Planning Commission; and

(e) if so, by what time a final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) No, Sir. Planning Commission has not proposed the creation of Special Economic Regions (SER). SER is a concept suggested by a team of NRI professionals who made a presentation on "India FDI project", in December 2004.

†The question was actually asked on the floor of the house by Shrimati Ambika Soni.

The team in its presentation pointed out that there are too many SEZs. Only five to ten should be targeted, which would be large and preferably be called Special Economic Regions (SER). They should have world-class infrastructure including all the facilities of a township, such as an airport, educational institutions, etc., and should have a more flexible labour regime. Particular emphasis was laid on Fast Track Courts in the SER, particularly for Intellectual Property Rights.

(b) to (e) Does not arise.

SHRIMATI AMBIKA SONI: Sir, I have gone through the short reply given by the Government. But the question raised by me pertains to a discussion, which has been held in this country from the time when the present Prime Minister was the Finance Minister and even before that.

The importance of Special Economic Zones has not ever been underplayed because of the goals set for FDI, it being such a competitive field for this entire region, the importance of it cannot be overemphasized. I just want to know one thing from the Government. This proposal was revived by the earlier Government in 2004 and, even if the Planning Commission has not yet sent their proposals to the Government, it is in the pipeline, as we are told and we understand. I would like to know, by when the Government would think of spelling out their policy on Special Economic Zones. We are losing out in this highly competitive market. Infrastructure takes a long time to be set in place. I would like to know what are the proposals in this regard.

SHRI M.V. RAJASEKHARAN: Sir, at present, the concept of Special Economic Region, as has been pointed out by the hon. Member herself, has not been mooted by the Planning Commission, nor is it the Government of India's proposal. The suggestion for setting up a Special Economic Region, as has been pointed out by the hon. Member, was by a group of foreign NRIs, and, at that time, at the presentation of "India FDI Project" this suggestion was made. Sir, at present, there are a number of economic zones which have been operating in the country. Now, I would like to just point out the difference between the Special Economic Zone and the Special Economic Region. The Special Economic Zone is specifically delineated duty-free enclave deemed to be foreign territory for the purpose of trade

operation, duties and tariffs. As far as Special Economic Region is concerned, high quality infrastructure is needed to achieve that degree of development, and Sir, this includes the improved infrastructure including the world-class airports, specialised communication system, reliable power, transport, internationally competitive business environment, etc.,etc. These are the things. As far as the Special Economic Zones are concerned, I would like to share with like to share with the House, through you, Sir, that the minimum size required is thousand acres. Then the primary focus is on export. Then, the status customs bonded. The Administration is with Development Commissioner. He is in-charge. These are the things, which are put as far as the Special Economic Zones are concerned.

SHRIMATI AMBIKA SONI: I am grateful for the information supplied. This information really pertains to my question. The question is that we learnt that this proposal of setting up 23 Special Economic zones have been entrusted to the Group of Ministers, but that apart NRIs proposal was for five or six regions which is quite different. I want to ask the Government that in the meantime — in all these delays, consideration and reconsideration, the Government of India and Group of Ministers looking into the proposal — the State Governments are setting up their own barriers, spelling out their own incentives. In the meantime, China has overtaken us by almost quarter of a century. We are already too late. I know the infrastructure requirement. But that infrastructure has to be put up at some time and within a time-frame. Otherwise, we are going to miss the bus. I want to know: why can't the Central Government announce a unified policy for the entire country instead of having State Governments set up their own barriers?

SHRI M.V. RAJASEKHARAN: Sir, at present, each State, as pointed out by the hon. Member, has enacted legislation to create Special Economic Zones. Now, as far as the Central Legislation is concerned, it is before the Group of Ministers. As soon as the decision is taken, the House will be kept informed.

DR. T. SUBBARAMI REDDY: Sir, last year... *(interruptions)*..

MR. CHAIRMAN: Are you not satisfied with the answer?

SHRIMATI AMBIKA SONI: He is repeating my question.

MR. CHAIRMAN: Are you repeating the same question?

DR. T. SUBBARAMI REDDY: No, I am asking a different question. Last year, during the visit of hon. Prime Minister to the United States of America, a number of NRIs approached the hon. Prime Minister. They were asked by hon. Prime Minister for a roadmap, and asked as to how to make India an attractive place for FDI. Accordingly, a group of NRIs came to India. They pleaded with the Government. Since 23 Zones, which the previous Government set up, will not be practical, they advised to have six Special Economic Regions with all infrastructure. ...*(Interruptions)*...

MR. CHAIRMAN: Don't make a speech.

DR. T. SUBBARAMI REDDY: I would like to know what is the line of action because we heard that the Planning Commission is planning to give a suggestion to have six Special Economic Zones. What is the Government's stand? What can we expect?

SHRI M.V. RAJASEKHARAN: Sir, I have already replied to that question.

MR. CHAIRMAN: Don't repeat your answer.

श्री दत्ता मेघे: सभापति महोदय, स्पैशल इकोनॉमिक ज़ोन की जो बात चल रही है, खास तौर पर मैं नागपुर के संबंध में पूछना चाहता हूं, जो विदर्भ की प्रमुख राजधानी रही है, इसके बारे में जो भी स्पेशल बातें हुई हैं, वे सब वहां पर हैं। एक बार मंत्री जी ने वहां आ कर घोषणा भी की थी, इस पर जब आप विचार करेंगे तो महाराष्ट्र में मुम्बई से पूना तक सीमित क्षेत्र है। नागपुर में भी सभी प्रकार की सुविधाएं उपलब्ध हैं। क्या आप स्पेशल जोन के लिए नागपुर पर विचार करने वाले हैं? मैं जानना चाहता हूं कि आप इसको जब करेंगे, तब क्या इस पर विचार करेंगे? क्योंकि वह स्पेशल पैकेज होगा, जो मुम्बई में जायेगा और वहां से वह पुणे में चला जायेगा। हम विदर्भ के लोग ऐसे ही रह जायेंगे। ...(व्यवधान)...

श्री सभापति: जब है ही नहीं, कब होगा, कब नहीं होगा? यदि होगा, तो नागपुर पर विचार करेंगे। ...(व्यवधान)...

श्री दत्ता मेघे: हां, सर। यही पूछना है। क्या स्पेशल जोन बनाने के लिए नागपुर पर मंत्री जी विचार करेंगे?

श्री सभापति: यही जवाब मंत्री महोदय देंगे, यही जवाब मैं दे देता हूं। ...(व्यवधान)... ठीक है। ...(व्यवधान)...

श्री दत्ता मेघे: सर, मंत्री जी को "हां" या "नहीं" में जवाब देने दीजिए। ...(व्यवधान)...

श्री सभापति: मैं उनके बिहाफ पर ही बोल रहा हूं। ...(व्यवधान)... मैं उनके बिहाफ पर ही बोल रहा हूं कि जब विचार होगा, तो नागपुर का ध्यान रखा जायेगा।

श्री दत्ता मेघे: सर, थैंक्यु वेरी मच।

SHRI C. RAMACHANDRAIAH: Sir, recently in one of the speeches, it was said that the country would be divided into different economic zones in accordance with the natural advantages. If that is the case, in what way they are different from the Special Economic Zones, which the Minister has announced.

SHRI M.V. RAJASEKHARAN: Sir, regarding advantages, as far as the Special Economic Zones are concerned, there is 100 per cent tax exemption for the first five years, 50 per cent tax exemption for the next two years, and, then up to 50 per cent of the profits ploughed back for the next three years. Now, this is as it exists.

As far as the encashment of income tax benefits is concerned, the proposal was for 100 per cent tax exemption for the first five years, 50 per cent for the next five years, and 50 per cent of the re-invested profit for the next 10 years, that is a total of 20 years.

SHRI R.P. GOENKA: Sir, through you, I would like to say that Special Economic Zones is a good thing, but the problem is that we have far too many small economic zones in the country. What we need is a bigger one and the neighbouring States must cooperate. Otherwise, the infrastructure fails there, and, therefore, the economic zones are not progressing as much as they should.

MR. CHAIRMAN: This is a good suggestion. Please keep it in mind.

SHRI M. VENKAIAH NAIDU: Sir, I would like to know from the hon. Minister: how many SEZs have been created so far, what is the experience so far, and, what are the applications that have come from different States and are still pending with the Government of India, and, also about the time-frame in this regard?

SHRI M.V. RAJASEKHARAN: Sir, now there are already eight economic zones... *(Interruptions)*...

MR. CHAIRMAN: You have already replied ...*(Interruptions)*...

SHRI M.V. RAJASEKHARAN: Sir, I am just coming to the next part. Sir, 27 newly proposed zones have already been approved. Sir, if the hon. Member wants the details of the States, I would be happy to supply the same.

Visit of Afghan President to India

*323. PROF. ALKA BALRAM KSHATRIYA:
DR. T. SUBBARAMI REDDY:†

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Afghanistan President during his visit to India has impressed upon India that he would take up the issue about Indian goods being able to enter Afghanistan through Pakistan;

(b) if so, whether the two agreements were signed between India and Afghanistan;

(c) if so, to what extent these agreements would be helpful for both the countries;

(d) whether Indian Airlines would begin flying the Delhi-Kabul sector from March 27; and

(e) what are the other assistance that would be provided to Afghanistan by India during 2005-06?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI RAO INDERJIT SINGH): (a) to (e) A Statement is placed on the Table of the House.

Statement

(a) Afghan Government has conveyed that transit access for Indian goods, and in particular for those under India's assistance programmes, would facilitate in strengthening Afghanistan's reconstruction effort. Afghan leaders have also indicated that they would pursue the issue of transit for Indian goods with the Government of Pakistan.

(b) and (c) Two MOUs were signed during the visit of President Karzai. The MOU on Cooperation in the field of media and information calls for greater interaction between media persons and radio and TV organization of the two countries. The MOU on Cooperation in the field of Civil Aviation is aimed at building capacity and strengthening institutional structure of Afghan civil aviation sector.

†The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.